

## Wisconsin's "Ready for Reuse: Leave No Brownfields Behind" Initiative

### B. Applicant Information:

1. **Project Title:** "Ready for Reuse: Leave No Brownfields Behind" Initiative
2. **Grant Type:** Brownfields Revolving Loan Fund (RLF) grant for clean up funds.
3. **Total Dollar Amount Requested for this Grant:** \$ 4 million dollars: \$3 million in funds for hazardous substance cleanups and \$1 million for petroleum cleanups.
4. **Name of Applicant:** Wisconsin Department of Natural Resources will be the cooperative agreement recipient for the Wisconsin Brownfields Coalition (WBC).
5. **Project Contact:** Darsi Foss, Chief, Brownfields Section, 101 South Webster Street (RR/3), Madison, Wisconsin, 53707. [Darsi.Foss@dnr.state.wi.us](mailto:Darsi.Foss@dnr.state.wi.us) Phone: (608) 267-6713. Fax: (608) 267-7646.
6. **Chief Executive:** Scott Hassett, Secretary, Wisconsin Department of Natural Resources. 101 S Webster Street, PO Box 7921, Madison, Wisconsin, 53707-7921. [Scott.Hassett@dnr.state.wi.us](mailto:Scott.Hassett@dnr.state.wi.us) Phone: 608-266-2621; 608-261-4380 (Fax); 608-267-3579 (TTY) 711. See Attachment A for a list of the 10 other Chief Executives of the Wisconsin Brownfields Coalition member organizations.
7. **Location:** State of Wisconsin.
8. **Population:** 5,363,675.
9. **Special Considerations:** The WBC target area is the State of Wisconsin, which includes these areas of special consideration:
  - A Renewal Community;
  - 11 federally recognized Indian tribes, including one Rural Enterprise Community;
  - 3<sup>rd</sup> largest Hmong population in the nation, doubling in size over last ten years;
  - 22 State-designated Community Development Zones ;
  - Specific environmental justice areas, due to economic and cultural challenges;
  - Home to 5 of the 43 International Great Lakes Areas of Concern; and
  - Wisconsin only has 3 communities with a population over 100,000; the largest city in Wisconsin is Milwaukee, at 596,974.

## Threshold Criteria for RLF Grants

### A. Applicant Eligibility.

The Wisconsin Brownfields Coalition (WBC) consists of the Departments of Administration (DOA), Commerce, and Natural Resources (DNR). The state legislature

created the DOA in 1959, DNR in 1967, and Commerce in 1971. Since 1995, the state members of the WBC have a signed, brownfields memorandum of agreement. Letters documenting membership in the WBC can be found in Attachment B.

The local government members of the WBC<sup>1</sup> are 8 of the 9 Wisconsin Regional Planning Commissions (RPCs), including 5 tribal members, established pursuant to s. 66.0309, Wis. Stats., that perform planning, coordination and outreach functions for 55 of Wisconsin's 72 counties:

- Bay-Lake Regional Planning Commission, created in 1972; Florence, Marinette, Oconto, Brown, Door, Kewaunee, Manitowoc, and Sheboygan counties.
- Dane County Regional Planning Commission created in 1968; includes Dane.
- East Central Wisconsin Regional Planning Commission created in 1972; Calumet, Menominee, Outagamie, Shawano, Waupaca, Waushara, and Winnebago counties.
- North Central Regional Planning Commission, created in 1973; Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas, Wood, & Juneau.
- Northwest Regional Planning Commission, created in 1959; Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, Washburn, and the Tribal Nations of Bad River, Lac Courte Oreilles, Lac Du Flambeau, Red Cliff & St. Croix.
- Southeastern Wisconsin Regional Planning Commission, created in 1960; Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha.
- Southwestern Wisconsin Regional Planning Commission, created in 1970; Grant, Green, Iowa, Lafayette, and Richland counties.
- West Central Regional Planning Commission, created in 1971; Barron, Chippewa, Eau Claire, Polk, St. Croix, Clark, & Dunn counties.

**B. Community Notification.** The public was notified through the following actions:

- Nov. 4, 2003 – posted public notices on three web pages seeking comments about formation of the WBC and the WBC's application for a RLF grant
- Nov. 6, 2003 – met with the Wisconsin Association of Regional Planning Commissions
- Nov. 7, 2003 – emailed a notice to more than 120 people on the Brownfields Study Group list, over 300 local government officials, other parties and 9 RPCs
- Nov. 12, 2003 – emailed information about WBC's RLF proposal and requested comments from more than 700 people who subscribe to the program's electronic newsletter
- Nov. 21, 2003 – sent letters regarding the WBC and seeking input on its RLF application to the WI Alliance of Cities (38 members), WI League of Municipalities (576 members), WI Counties Association (72 members) and WI Towns Association (1264 members)
- Nov. 23, 2003 – a legal notice in the state newspaper, Milwaukee Journal-Sentinel
- Dec. 2, 2003 - sent an official press release to about 500 media outlets

---

<sup>1</sup> The Mississippi River Regional Planning Commission was scheduled to meet on December 10, 2003, to determine whether it would join the WBC. If it votes to join, the MRRPC will be added to the WBC. This RPC was created in 1964, and includes Buffalo, Crawford, La Crosse, Monroe, Pepin, Pierce, Vernon, Trempealeau & Jackson counties.

- Dec. 2003 – printed a notice in quarterly program newsletter with 2500 subscribers
- Letters of support have been received from: (1) City of Fond du Lac; (2) City of West Allis; (3) Fond du Lac County; (4) Waupaca County; (5) Mississippi River Regional Planning Commission; (6) The 16th Street Community Health Center, Milwaukee; (7) OMNNI Associates, Inc., environmental consultants, Appleton; (8) the Wisconsin Brownfields Study Group; and (9) City of Manitowoc (See Attachment C).

**C. Letter from the State or Tribal Environmental Authority.** Not applicable.

**D. Site Eligibility and Property Ownership Eligibility.** Not applicable.

**E. Cleanup Authority and Oversight Structure.**

The WBC will rely on the DNR's voluntary response clean-up program (i.e., the Remediation and Redevelopment program) to ensure appropriate state oversight of cleanups, in compliance with the ch. NR 700 comprehensive cleanup rule series. The WBC will ensure funding information and agreements clearly specify that the grant recipient's site investigation report, remedial action plan, community involvement plan, construction plan, development plans, and no further action report (closure submittal) – at a minimum – require DNR approval. Further, the DNR has legal authority to access and secure sites in the event of an emergency or default of a loan agreement or non-performance under a sub grant. The legal opinion documenting this authority is found in Attachment D.

**F. Cost Share.**

The WBC's cost share of 20%, or \$800,000, will be met by requiring the loan or subgrant recipient to provide a 20% cost share related to eligible and allowable expenses. This will be accomplished by: (1) pairing the awards of RLF funds with the following state brownfield funds: DNR's Site Assessment Grants - \$1.7M per year; Green Space and Public Facility Grants - \$500,000 per year; and Commerce's Brownfields grants - \$7M per year; (2) requiring the recipient provide a match of 20% in money, labor, material or services if no state dollars are being leveraged as cost share; or (3) a combination of 1 and 2. The DNR will ensure that the 20% cost share meets EPA's definition of "eligible and allowable expense."

**G. Legal Authority to Manage a Revolving Loan Fund.**

All state WBC members have legal authority to manage revolving loan funds. The DNR, as the recipient of the cooperative agreement, has attached the necessary legal opinion (Attachment D) that confirms its ability to hold funds, make loans, enter in loan agreements, and collect repayments. In particular, the DNR has the ability to receive and hold moneys under s. 20.370(6)(cm), Wis. Stats., and enter into intergovernmental cooperation agreements, under s. 66.0301, Wis. Stats., for the disbursement of funds to a municipality or tribe, and receive funds (e.g., loan repayments). In addition, the DNR is working in cooperation with the legislature to provide the DNR with specific legal authority to accept and manage the EPA's RLF moneys. The bill draft for this legislation is included in Attachment E, and is scheduled for introduction in January 2004.

The WBC state members have extensive experience managing both grants and loans, especially related to brownfields. As previously mentioned, over \$9M in state brownfields-related grants are awarded by the 3 state agencies on an annual basis. As of June 30, 2002, the clean water fund (jointly administered by DOA and DNR) had entered into agreements with municipalities totaling \$1.7 billion. This experience should assist the WBC in successfully administering the RLF.

## Ranking Criteria for RLF Grants

### **A. RLF Grant Proposal Budget.**

As previously mentioned, the WBC proposes to operate an RLF of \$4M, with \$3M available for hazardous substance cleanups and \$1M available for petroleum sites. The WBC proposes to provide 60% of the funds to local governments and tribes in the form of revolving loans, with the remaining 40% of the funds to be subgranted. The cost share for the RLF funds is 20% or \$800,000, and will be provided by the recipient. With respect to the petroleum funds, the WBC will place limits on the use of those funds. Wisconsin has a petroleum clean-up fund, called PECFA (Petroleum Environmental Cleanup Fund Award), that reimburses costs associated with certain types of petroleum releases. The WBC proposes that the \$1M in petroleum cleanup funds will be used for cleanup costs and/or sites that cannot be reimbursed by PECFA. The WBC budget proposes to maximize the amount of funds available for communities and tribes, as proposed below.

#### **Budget for \$3 Million Hazardous Substance Loan Fund**

##### **Project Tasks for Loans – Hazardous Substance**

BUDGET CATEGORY	ESTABLISH RLF	OPERATE RLF	MARKET RLF	CLEANUP LOAN AMOUNT	INVOLVE COMMUNITY	OVERSEE CLEANUP
Contractual				1,800,000		
Cost Share	\$360,000 in cash, labor, & materials provided by loan recipients					
Total				2,160,000		

##### **Project Tasks for Subgrants – Hazardous Substance**

BUDGET CATEGORY	ESTABLISH RLF	OPERATE RLF	MARKET RLF	CLEANUP SUBGRANT AMOUNT	INVOLVE COMMUNITY	OVERSEE CLEANUP
Contractual				1,200,000		
Cost Share	\$240,000 in cash, labor, & materials provided by subgrant recipients					
Total				\$1,440,000		

#### **Budget for \$1 Million Petroleum Loan Fund**

##### **Project Tasks for Loans – Petroleum or Co-contamination**

BUDGET CATEGORY	ESTABLISH RLF	OPERATE RLF	MARKET RLF	CLEANUP LOAN AMOUNT	INVOLVE COMMUNITY	OVERSEE CLEANUP
Contractual				\$600,000		
Cost Share	\$120,000 in cash, labor, & materials provided by loan recipients					
Total				\$720,000		

### Project Tasks for Subgrants – Petroleum or Co-contamination

BUDGET CATEGORY	ESTABLISH RLF	OPERATE RLF	MARKET RLF	CLEANUP SUBGRANT AMOUNT	INVOLVE COMMUNITY	OVERSEE CLEANUP
Contractual				\$400,000		
Cost Share	\$80,000 in cash, labor, & materials provided by subgrant recipients					
Total				\$480,000		

#### **B. Community Need**

1. Target Communities. The State of Wisconsin is comprised of several urban areas, but is predominately rural in nature, as documented by the census map in Attachment F. Wisconsin only has 3 cities whose population exceeds 100,000. Wisconsin's total population is 5.4M, according to the U.S. Census Bureau 2000 data. Of the total population, 6% are African American or Black, 1.3% American Indian and Alaska Native, 2% Asian, and 2% other race. Wisconsin has the third largest population of Hmong in the U.S. Of all Wisconsin families, approximately 12.2% of the state's families with related children under 5 years of age live in poverty. Approximately 42.5% of the families headed by females-only (no husband present) are below the poverty level. The October 2003 unemployment rate was 4.6%, according to Wisconsin's Department of Workforce Development. The unemployment rate was 2.2% in June 1999.

2. Community Benefit: Economics, Health, and Environment. The WBC hopes to fund brownfields cleanup projects in economically challenged neighborhoods, where there have been mass layoffs, environmental justice issues are present, and higher than state average unemployment or poverty rates. Funds will be targeted to ready projects for reuse, particularly those that promote living-wage jobs for the most needy populations. As an example of the economic benefits that could accrue from these funds, Wisconsin's \$29 million in brownfields grants has leveraged \$400 million in increased property valuation and 4,000 new jobs. These funds flow back to the community for schools, roads and other critical services. In addition, Wisconsin estimates that this federal money could leverage \$7 in additional investment for every \$1 of RLF funds, for a total of \$28 million of leveraged dollars. This estimate is based on our experience with Wisconsin's Commerce grants, of which there was \$14 in investment for every state grant dollar. Further, the use of the funds for green space and other public facilities will increase neighboring property values and lead to investment in the public projects.

The RLF moneys will result in the clean up of at least an additional 12 to 20 brownfields properties that would otherwise not reach this protective level in the next 2 to 5 years. This will reduce the number of exposures to cancer and non-cancerous contaminants through inhalation and direct contact risks. In addition, it will also reduce the contaminant loading to the air, surface water and groundwater. In Wisconsin, over 75% of the population rely on groundwater for their drinking water. There are more than 750,000 private wells in this state, in addition to the hundreds of potable wells serving municipal residents. The use of these cleanup funds along waterways, including the Great Lakes, will reduce or halt contaminant loading, which impacts our native fish

population. Many indigenous and immigrant peoples (e.g., Hmong community), as well as recreational anglers, consume fish from these impacted or threatened waterways.

The environmental impact of the estimated 10,000 brownfields on Wisconsin communities is significant. Brownfields contribute pollutants to the air, land and waters. Wisconsin has the good fortune to be located next to two large bodies of high quality fresh water, Lakes Superior and Michigan. In fact, Wisconsin ranks third in the nation for total water surface per square mile of land. Our industrial legacy has left 49 surface waters with polychlorinated biphenyls (PCB) advisories for fish and there is a statewide mercury fishing advisory. Wisconsin also has one most unique groundwater laws in the nation, that protects this resource from a groundwater quality and resource basis, rather than from solely a drinking water basis. The RLF funds will halt or significantly decrease contaminants from entering these resources, and lead to their restoration.

3. Impact of Brownfield Properties on Wisconsin Communities. Wisconsin communities need funds to deal with 7,600 properties with known contamination, and the estimated 2,400 yet-to-be-discovered brownfields. Also, there are 17,000 properties where the “known” contamination has been removed to the satisfaction of the state. Many of those properties will require additional environmental action, because it is likely other “unknown” conditions will be discovered. Also, the state is notified of 500 new sites a year needing clean up. These properties pose a potential threat to the public, as well as the air, land and waters of the state.

The Corporation for Enterprise Development (CED) recently published their annual report card for the states concerning development opportunity (November 2003). The report notes Wisconsin led the nation in mass layoffs and ranked 46<sup>th</sup> in new companies created. Manufacturing employment has declined from 30% of all wage and salary workers in 1979 to 20.4% in 2000<sup>2</sup>. Since 1993, through November 2003, there have been more than 1,200 significant plant closings affecting 115,000 workers in Wisconsin<sup>3</sup>. Since 1979, Milwaukee, Kenosha and Racine counties have lost more than 88,000 manufacturing jobs, which is a 41 percent reduction from their base. Further, these counties have a large number of known brownfields, with respectively 1400, 233, and 167 sites in those counties needing clean up. The state estimated the lost property tax revenue from brownfields is at least \$100 million.

The receipt of these funds will ensure that more contaminated properties in Wisconsin will be cleaned up in the next 2 to 5 years, thus halting public health exposures and preventing further environmental degradation. As previously mentioned, 75% of Wisconsin residents rely on groundwater as their primary source of drinking water. This is reflected in the fact that there are still 750,000 private wells in this state, as well as hundreds of municipal wells, which are vulnerable to contamination migrating from uncontrolled brownfield properties. Contaminants from brownfields and other sources impact our waterways, and unfortunately, find their way into our food system. In

---

<sup>2</sup> Center on Wisconsin Strategies, “State of Working Wisconsin” report.

<sup>3</sup> Wisconsin Department of Workforce Development: Wisconsin Plant Closings and Mass Layoff Notices Dislocated Worker Program.

Wisconsin, 49 waters carry polychlorinated biphenyls (PCB) advisories for fish. Also, there is a statewide mercury advisory, because that contaminant is found in almost all waters throughout the state. Cleaning up these uncontrolled brownfields properties will reduce the current exposures to public health and reduce the migration of those chemicals into our waters, air and soil.

### **C. Description of Target Market for RLF Loans and Subgrants.**

1. Target Market. The WBC plans to target the funds for use by local governments and tribes<sup>4</sup> to “jump start” brownfields projects that would not otherwise receive any, or sufficient, state cleanup funds. The WBC will dedicate a portion of the funds to green space or other public use projects. The remaining funds would be used as a catalyst for private investment in a project. The WBC would like to target areas that address multiple contaminated properties, but will also fund single sites for cleanup. The WBC will strive to achieve a balance of the types of sites (dry cleaners, gas stations, manufacturers, etc.) it funds, with particular interest in the following: (1) projects in neighborhoods or communities that are economically distressed due to plant closing, layoffs, or poverty or unemployment levels being above the state average; (2) brownfields projects along waterfronts that result in economic benefits, ecosystem protections, access to recreational areas, or a combination of these; (3) striking a balance between urban and rural projects, with a fair balance of projects funded across the state; and (4) promoting the use of innovative clean up techniques, sustainable development practices, and integration of brownfields and smart growth planning.

2. Subgrants. The WBC plans to award RLF subgrants for greenspace and non-greenspace projects, and will utilize EPA’s criteria in awarding those grants. For greenspace-public use projects, the WBC will also use DNR’s greenspace grant criteria to assist in project selection. DNR’s scoring criteria includes such factors as: (1) economic hardship and distress in the neighborhood/community; (2) community support and partnerships; and (3) public benefit and demonstrated need. As previously mentioned, subgrants will be targeted at public or private projects where repayment of a loan would be an economic challenge. Subgrants will likely occur in communities that are more rural in nature or are economically distressed. While more urbanized areas can rely on TIF districts to assist in repayment of RLF funds, rural brownfields or public use projects generally don’t have the property “value” needed to make a TIF work. Additionally, the WBC believes that the amount of money these subgrants will leverage (an estimated \$7 in investment for each federal grant dollar), makes sacrificing the long-term availability of 40% of the funds worth the trade off. The WBC plans to utilize the RLF where it can maximize existing infrastructure, such as roads, utilities and public transportation is available.

---

<sup>4</sup> Section 20.002(13), Wis. Stats., states: “Notwithstanding any statute to the contrary, wherever any law authorizes a grant of state funds to be made by a state agency to any county, city, village or town for any purpose, funds may also be granted by that state agency to any federally recognized tribal governing body for the same purpose. The grants are subject to the same conditions and restrictions as apply to grants to counties and municipalities, if any. This subsection shall not be construed to require any grant of state funds to be made to any federally recognized tribal governing body.”

#### **D. Business Plan.**

1. Loan Structure. The WBC's RLF portfolio consists of \$4M in funds: \$2.4 million in loan funds and \$1.6M in subgrants, with 25% available for petroleum cleanups (non-PECFA eligible costs/sites). The WBC will loan the funds at a 0% interest rate to local governments and tribes, with 23-year repayment period to coincide with the length of a Tax Incremental Financing (TIF) district in Wisconsin. The recipient is not required to make repayments for the first 5 years of the loan, allowing communities that use a TIF district time to show a positive incremental value. If the local government or tribe sells the property during the loan period, proceeds from the sale of the property will be used to pay off the loan. The WBC will draw on expertise in Commerce and DOA's revolving loan programs for underwriting.

TYPE	LOAN	SUBGRANT	RECIPIENT MATCH	TOTAL
Hazardous Substance	\$1,800,000	\$1,200,000	\$600,000	\$3.6 M
Petroleum	\$600,000	\$400,000	\$200,000	\$1.2 M
Totals	\$2.4M loans	\$1.6 M grants	\$800,000 cost share	\$4.8 M

2. Advertising Plan & Redevelopment Incentives. The WBC plans to extensively advertise and market the availability of the RLF funds. One of the primary contributions of the RPCs will be to assist in promoting and advertising the availability of these grant funds. At a minimum, the following resources will be used: (1) press release sent to 500 Wisconsin media outlets; (2) targeted media, including (but not limited to) the *Milwaukee Business Journal*, *Corporate Report* and such regional redevelopment publications; (3) news release to targeted audiences; (4) the program's web site, bi-weekly electronic newsletter (more than 700 subscribers) and quarterly *Re News* hard-copy newsletter (more than 2,500 subscribers); and (5) any additional outlets as deemed necessary.

The WBC will ensure that state grant applicants are educated about the RLF funds. These state agencies will strive to leverage state grant funds in tandem with the federal RLF moneys, including: DNR's Site Assessment Grants - \$1.7 M per year, Greenspace and Public Facility Grants - \$500,000 per year, Commerce's Brownfields grants - \$7 M per year, Commerce's Blight Elimination and Brownfields Remediation Grants - \$2 M per year and DOA's Coastal Management Grants - \$750,000 per year. Other redevelopment incentives include Wisconsin unique environmental remediation TIF and traditional TIF districts that allow a local government to recover expenses on a brownfields property or area. Wisconsin's tax cancellation and foreclosure incentives allow local governments to clear financial encumbrances from titles, increasing the attractiveness of a property for developers. Wisconsin also has state remediation tax credits available as an additional incentive. Also, the WBC hopes to promote the use of the DNR-EPA joint hazardous waste pilot for lenders and local governments, which



limits those parties' liabilities under state hazardous waste law if they acquire a property through involuntary (e.g., foreclosure) means.

3. Promotion of Long-term Availability of Funds. The WBC believes that a balance of loans and subgrants to Wisconsin communities best meets the needs of Wisconsin, yet secures 60% of the funds as "revolving" for future use. Given the known pipeline of properties needing cleanup and the number of mass layoffs/plant closings, many communities will need grants to deal with these indigent properties. This is especially true in a state with a predominately rural population. While more urbanized areas can rely on TIF districts to assist in repayment of RLF funds, rural brownfields generally don't have the property "value" needed to make a TIF work. Additionally, the WBC believes that the amount of money these subgrants will leverage (an estimated \$7 in investment for each federal grant dollar), makes sacrificing the long-term availability of 40% of the funds worth the trade off.

4. Timeline. The WBC believes that it can commit the funds to eligible projects in a two-year period. We anticipate receiving the funds in late summer/early fall of 2004. The WBC's goal would be to solicit applications for eligible projects in Spring/Summer of 2005, making awards of half of the funds available by the end of 2005. The remaining funds would be dispersed by the end of 2006. For loan funds, the WBC anticipates repayments starting in 2010.

## **E. Sustainable Reuse of Brownfields/Redevelopment Potential**

1. Sustainable Development Strategy. The WBC initiative is a means to create a bridge between the state's "Grow Wisconsin" economic plan and Wisconsin's Smart Growth planning. The goal would be to create new business opportunities and public places, consistent with the "smart growth" plans of Wisconsin communities. Wisconsin's 1999 Smart Growth law requires every city, village, county and town in the state to create a comprehensive "smart growth" plan by 2010. Since the Smart Growth law was enacted, 535 Wisconsin communities have received Comprehensive Planning Grants and \$9.5 million has been awarded. Marketing for and selection of the RLF funds will take into consideration these plans. Preservation of greenspace and maximizing the reuse of existing structures/infrastructure is one of the primary goals of this initiative.

2. Environmental Improvements. For all brownfields projects, environmental best practices and sustainable development activities are promoted. When a community approaches the state for assistance with a brownfield project, a "green team" of state experts are activated to meet with the community leaders and potential developers, if available, to discuss financial incentives and programs that could assist with the project. Typically staff from various DNR programs, as well as the state departments of Commerce, Revenue, Administration, and Transportation, are involved. Best practices used at other brownfields projects will be shared with the community, tribe or developer. In addition, sustainable development practices, such as green building and unique storm water runoff practices, are shared as well.

In addition, these state resources are available to promote sustainability and best practices:

- The Wisconsin “Focus on Energy” program, promoting combined heat and power and on-site energy production on brownfields redevelopment sites.
- DOA’s Coastal Management Program, providing grants for coastal land acquisition and other activities that protect Wisconsin’s coastal resources, and increase public access to the Great Lakes.
- DNR’s Bureau of Cooperative Environmental Assistance, providing pollution prevention assistance and promoting innovative environmental regulatory methods.
- DNR’s Waste Reduction & Recycling Grants and Waste Cap Wisconsin, Inc., a statewide, industry-supported nonprofit are used to minimize waste generation and maximize recycling of materials at brownfields projects.
- DOT, which provides grants and loans for trails, bike paths and other alternate forms of transportation.

3. Economic Development. The WBC’s proposal would create significant state, local and private investment in Wisconsin’s fragile economy. State grant and loans could be packaged with RLF funds. Wisconsin estimates that this federal money could create \$7 in additional investment for every \$1 of RLF funds, for a total of \$28 million public-private investment. Additionally, the WBC expects that the property tax base to increase from at least half of the estimated 12 to 20 projects to be funded. Job creation in our most needy communities would be the goal of the majority of the funds. Our Commerce department’s brownfields grant program is an example of the economic benefits we hope to achieve with a share of the RLF. In program’s four year existence, Commerce grants have led to the creation of more than 4,000 new jobs and an increase of over \$385 million in taxable property values.

It is important to note that there is a demonstrated need for additional brownfields cleanup dollars for economic projects in this state. As of July 2003, Commerce’s Brownfields Grant Program had awarded \$29 million for the clean up and redevelopment of brownfields. The 72 projects funded in the past five years were selected from a total of 179 applicants that requested in excess of \$90 million. The DNR’s Brownfields Site Assessment Grant was able to award \$4.5 million for 162 projects (from 269 applications) requesting more than \$10.3 million in grants. DNR had to turn away 50% of the grant requests; Commerce turned away 66%. Many of these projects are in rural communities.

There are scores of brownfields projects waiting for assistance, but there is limited money to move them forward. Many of these projects – where the economics are such that no developer is currently interested in the property – are awaiting additional funds to complete the necessary activities to get the project cleaned up and redeveloped. The state is missing the opportunity to restore these formerly productive properties back into green space projects, public facilities, housing and economic development projects. This is illustrated by the fact that Commerce and DNR had brownfield grant application requests totaling \$23.5 million last spring, with a total of \$7.25M available. These

grants represented \$375 million in public-private project investment in this small number of properties.

4. Brownfields Prevention. The DNR acts to prevent the creation of future brownfields through several approaches. One approach is ongoing inspection, education and enforcement. In addition, DNR has several programs aimed at providing cooperative assistance to businesses to address their environmental compliance issues. These include business sector specialists who work with small companies in 20 different business sectors (paper production, dry cleaning, etc.) on compliance and environmental improvements. Also, we are encouraging the use of environmental management systems (ISO 14000) to prevent use and disposal of hazardous substances. Additionally, DNR also has authority require someone to develop and implement a spill prevention plan to prevent the creation of new brownfield sites.

5. Community Planning. As previously described, all local governments across the state are developing smart growth comprehensive plans. These land use plans include the communities' redevelopment priorities and economic development activities for their brownfield properties. The awarding of RLF moneys will take into consideration whether the brownfield project is part of a comprehensive plan.

**F. Creation/Preservation of Greenspace/Open Space or Other Nonprofit Purpose.**

A portion of the RLF moneys will be targeted for the cleanup of properties where the future use is for green space or public use. Wisconsin has one of the only state programs in the nation with money specifically dedicated to cleanup of brownfields for green space or public use, such as parks, recreational areas or libraries. In 2003, the DNR received 18 applications for the first round of this new program. Applicants requested approximately \$2 million for cleanups of sites to be used as parks and public facilities, although only \$1 million was available. RLF moneys may assist projects that need additional clean-up funds or were not funded. Cleanup projects submitted to DNR include remediation of properties that will be used for: a neighborhood park, a farmers market in a mixed income urban neighborhood, and soccer fields.

**G. Reuse of Existing Infrastructure.**

While the WBC does not have any specific properties identified at this time, the reuse of existing infrastructure is one of the compelling reasons why federal, state and local governments are willing to commit public funds to these projects. Wisconsin has a tradition of working with local governments to identify projects that will maximize use of existing roadways, bus transportation, utility services, neighborhood centers and use of waterfront transportation modes. The WBC will team with the Wisconsin DOT, as the state has done in the past, to identify projects which DOT's Transportation Economic Assistance (TEA) grants could assist. These funds can be leveraged at a brownfields to assist with rail, road, harbor or airport work. In addition, DOT has used its TEA-21 (21<sup>st</sup> Century) funds to preserve historic sites (e.g., depots), pedestrian and bicycle facilities and paths, and preserving abandoned rail corridors. Kenosha's HarborPark brownfields project on Lake Michigan is a prime example of reusing existing infrastructure, by connecting a trolley system with the main commuter train to the Chicago metro area.

## **H. Community Involvement**

1. Local Community Involvement. Wisconsin has a strong tradition of involving the public in the state's natural resources decision making processes. To that end, the contractual agreements with the RLF recipients will specify the community involvement opportunities that will be provided to the public at the RLF projects. This will include meeting the specified rule requirements in ch. NR 714, Wis. Admin. Code, entitled Public Information and Participation. At a minimum, RLF loan and sub grant recipients will need to: (1) notify the public of the availability of funds, cleanup and redevelopment plans; (2) post public notice signs of contamination at the property per s. NR 714.07(3); and (3) provide the opportunity for public comment and a meeting on the cleanup plan. Recipients will be encouraged to maintain either a web site documenting progress at the property or a publicly accessible paper file, with language(s) indigenous to the community. The DNR plans to use part of the RLF funds to maintain both a programmatic and site-specific web site.

2. Partnerships. Wisconsin's brownfields initiative has a strong tradition of building and maintaining partnerships with local governments, tribes and non-profits. The state's excellent working relationship with the state's Brownfields Study Group (i.e., a citizen board), established in 1998, is an example of that tradition. On the local level, DNR is a formal member of many community groups, such as the Menomonee Valley Partners, the non-profit group created to help clean up and revitalize Milwaukee's Valley. On a state-wide level, we will continue to work with our traditional partners to develop, market and implement the RLF, including such activities as: (a) soliciting feedback from WBC members and Brownfields Study Group on development of RLF in Wisconsin; (b) continuing dialogue with the RPCs, WI Alliance of Cities, League of Municipalities, Counties Association, Towns Association, and tribal communities identifying the proposed criteria for awarding grants and loans and seeking comments from these organizations; (c) issuing press releases seeking public comments on the draft criteria for grants and loans; and (d) providing notice seeking public comments on the draft criteria for grants and loans in the Remediation and Redevelopment Program's printed quarterly newsletter *ReNews* and electronic newsletter *RR News from DNR*.

3. Communicating Progress. The following tools will be used to communicate progress: (a) developing a web page devoted to Wisconsin's RLF, including programmatic and site-specific information; (b) placing articles in electronic newsletter, *RR News from DNR*, and quarterly newsletter, *ReNews*; (c) directing communication with all community-based organizations (listed below); (d) providing a status report on development and implementation of the WI RLF; and (e) develop articles for the Alliance of Cities, League of Municipalities, Counties Association and Towns Association to insert into newsletters to their members. The WBC members will work with RLF recipients to identify special communication situations, to ensure that the affected public can be communicated with in a language indigenous to that community. Alternate resources for communicating in indigenous languages will be pursued with local non-profits, colleges, and other parties that may have those abilities. Site-specific materials will be prepared in languages indigenous to the affected public.

4. List of Community-Based Organizations.

- **16<sup>th</sup> St. Community Health Center; Contact: Peter McAvoy, 414-672-1315, ext. 154.** The 16<sup>th</sup> St. Community Health Center is a non-profit, innovative primary health care organization, providing services to Milwaukee's near south side residents.
- **The Wisconsin Brownfields Study Group; Contact: Bruce Keyes, 414-297-5815** The Brownfields Study Group is a non-partisan advisory task force, created in 1998, of environmental, attorneys, local officials, and non-profit and academic interests.
- **Wisconsin Towns Association; Contact: Richard Stadelman, 715-526-3157** The Towns Association is a non-profit, non-partisan statewide organization created to protect the interests of the state's 1,264 towns and to improve town government.
- **The Wisconsin Alliance of Cities; Contact: Richard Eggleston, 608-257-5881** The Alliance of Cities is a non-profit organization consisting of 38 of the largest municipalities in the state.
- **The League of Wisconsin Municipalities; Contact: Dan Thompson, 608-267-2380;** The League acts as an information clearinghouse, lobbying organization and legal resource for 386 villages and all of the 190 cities in the state.
- **The Wisconsin Counties Association; Mark O'Connell, 608-663-7188;** The Counties Association serves and represents Wisconsin's 72 counties.

I. Reduction of Threats to Human Health and the Environment

1. Reduction of Threats. The receipt of these funds will guarantee that more contaminated properties in Wisconsin will be cleaned up in the next 5 years, thus halting public health exposures and preventing further environmental degradation. As previously mentioned, 75% of Wisconsin residents rely on groundwater as their primary source of drinking water. This is reflected in the fact that there are still more than 750,000 private wells in this state, as well as hundreds of municipal wells, which are vulnerable to contamination migrating from uncontrolled brownfield properties. Lead in soils, contaminants in drinking and surface waters, and air pollution are all exposures that have negative impacts on public health, especially children, the elderly and pregnant women.

Contaminants from brownfields and other sources impact our waterways, and unfortunately, find their way into our food system. In Wisconsin, polychlorinated biphenyls (PCBs) and mercury contaminate a large number of recreational fishing areas. PCB contamination is most often associated with industrialized river systems and the Great Lakes. The statewide mercury advisory is found in almost all waters throughout the state. Cleaning up these uncontrolled brownfields properties will reduce the current exposures to public health and reduce the migration of those chemicals into our waters, air and soil.

2. Public Health Partnerships. The WBC will work with local and state public health officials to ensure that clean-up and redevelopment activities are protective of public health and the environment. DNR has an excellent working relationship with Wisconsin Department of Health and Family Services (DHFS), Division of Public Health's staff. DHFS staff provides a number of environmental health services, including: (1) on-site

and written, site-specific health “consultations” on exposure conditions at contaminated sites and those undergoing remediation; (2) consultation with state agencies and local officials on chemical-specific (e.g., lead and arsenic) or exposure pathway (e.g. vapor intrusion) risks and how they impact cleanup and redevelopment options; and (3) presence at public meetings to answer questions from public on health impacts.

#### **J. Leveraging of Additional Resources**

1. Financial Need. The WBC’s initiative has not identified any specific properties, to date. It is likely that each project will need funds to investigate, clean up and redevelop the property, with the RLF moneys being used to assist with eligible clean-up costs.

2. Funds and Staff Commitment. The WBC members will dedicate staff time, as in-kind services, to develop, implement, market and document the efforts to expeditiously grant and loan the \$4M in a two-year period. The WBC’s goal is to maximize the use of state funds to leverage additional public, federal, state, private and non-profit investment. To the extent possible, the WBC will pair these state grants with the RLF moneys: \$3.4M for Brownfields Site Assessment Grants (20% match required); \$1M for Green Space and Public Facilities Grants (20-50% match required); and \$14M Wisconsin Brownfields Grants (20-50% match required). As an example of the amount of funds that could be leveraged, the Commerce Brownfields Grants have leveraged \$14.50 for every state dollar awarded. The WBC estimates that it would be able to leverage \$7 for every RLF dollar, for a total estimate of \$28M.

3. Other Funding Sources. In addition, the state has the following funds and tools to leverage additional investment: state tax credits; two kinds of TIF districts; \$750,000 in Coastal Management Grants; property tax cancellation tools; dry cleaner reimbursement funds; federal tax deduction approvals; and approximately \$5M in state block grant funds for brownfields. In addition, communities have been successful using federal block grant funds, economic development administration grants, and transportation grants to leverage additional investment.

#### **K. Ability to Manage Grants/Management Structure**

1. History of Managing Federal Grants. The DNR has extensive experience in the management of federal funds. OMB Circular A-133 Audit findings have been very positive. In particular, DNR manages dozens of federal grants totaling tens of millions of dollars annually, and has managed this level of grants for over 30 years. The Remediation and Redevelopment (RR) program manages 15 federal grants from EPA and Department of Defense with an annual budget of over \$4 million, and has managed this level of grants for more than 15 years. The Wisconsin Legislative Audit Bureau (LAB) conducts the OMB Circular A-133 single audit of DNR at the end of each state fiscal year. LAB’s last completed audit of DNR for state fiscal year 2002 included only one minor finding regarding computer programmer access to critical production programs. The DNR is taking steps over the next several years to address this, and this audit questioned no costs. DNR is not currently required, and has not been previously required to comply with any special “high risk” terms and conditions under agency regulations implementing OMB Circular A-102.

2. Management Plan. The loan fund will be managed by several programs within DNR to ensure it incorporates prudent lending practices. Loan and grant agreements will be awarded and tracked by staff who has 15 years of experience. The DNR legal staff will help develop financial agreements and address legal questions. The appropriate revolving loan expertise in Commerce and DOA will be used to check credit worthiness of loan applicants. Payments will be made to the DNR which has years of experience tracking these types of payments. The state's WISMART financial tracking system will be used to track fund expenditures, revenues, and balances. The computerized WISMART system has existed for 8 years, and before that DNR had similar systems in existence for at least 10 years.

3. Fund Management. The WBC does not intend to acquire additional fund management expertise. As outlined in #1 and #2 above, state agency members have sufficient fund management expertise.

4. Past Cooperative Agreement (CA) Recipient. DNR, specifically the RR program, has received Superfund Core Brownfields grants from October 1994 through the present. DNR has also received Superfund Site Assessment Brownfields grants from October 1998 through the present. DNR has consistently completed the following activities for each of these grants: (1) quarterly progress reports required per grant conditions; (2) semiannual progress reports required by DNR's Environmental Performance Partnership Agreement (EnPPA) with EPA Region 5; (3) brownfields reporting measures required through grant conditions or the EnPPA; and (4) annual Financial Status Reports (FSRs) required per grant conditions, often submitting these on a more frequent quarterly basis. DNR, specifically the RR program, is the recipient of the following current EPA Brownfields cooperative agreements: (1) Section 128(a) State Response, awarded September 1, 2003 through August 31, 2004, for \$1,196,243, estimate \$1,000,000 remaining as of November 1, 2003; (2) Superfund Core Brownfields, awarded September 1, 1996 through June 30, 2005, for \$1,676,849, estimate \$150,000 remaining as of November 1, 2003; and (3) Superfund Site Assessment Brownfields, awarded October 1, 1998 through September 30, 2005, for \$786,157, estimate \$120,000 remaining as of November 1, 2003.